

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 MCT-01 COM-02 AID-05 CIAE-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-05
H-01 L-03 NSC-05 PA-01 SS-15 IO-13 SY-05 OPR-02
A-01 /117 W

-----032632 070452Z /16

R 061245Z JUL 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC 4035
INFO USDOC WASHDC
AMCONSUL FLORENCE
AMCONSUL GENOA
AMCONSUL MILAN
AMCONSUL NAPLES
AMCONSUL PALERMO
AMCONSUL TRIESTE
AMCONSUL TURIN

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E.O. 11652: N/A
TAGS: BEXP, SOCI, IT
SUBJECT: TERRORISM AND THE ITALIAN BUSINESS ENVIRONMENT

SUMMARY

EMBASSY HAS CONTACTED CONSTITUTENT POSTS AND RECEIVED
INPUT FROM THEM REGARDING SUBJECT ISSUE. FOLLOWING
MESSAGE IS CONSOLIDATED FOR ALL ITALY. GENERAL FEELING
IS THAT LITTLE HAS CHANGED FOR RESIDENT AMERICAN EXECUTIVES,
THEIR FIRMS, OR AMERICAN BUSINESSES MANAGED BY HOST AND
THIRD COUNTRY NATIONALS. INCREASINGLY, HOWEVER, THOSE
ITALIAN MANAGERS IN VISIBLE POSITIONS OF ITALIAN
ENTERPRISES, E.G. STATE PARTICIPATION ENTERPRISES IN THE
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NEWS AND LARGE PRIVATE COMPANIES, ARE TAKING MORE PRECAUTIONS.
END SUMMARY

1. FOLLOWING LATEST ROUND OF URBAN TERRORISM CULMINATING
IN MURDER OF CHRISTIAN DEMOCRATIC PARTY PRESIDENT ALDO
MORO, EMBASSY CONSULTED WITH CONSTITUENT POSTS REGARDING
SECURITY ENVIRONMENT. BOTH EMBASSY AND POSTS CONSULTED

WITH VERY LIMITED GROUP OF BUSINESS PEOPLE REGARDING ISSUE OF SECURITY FOR THEMSELVES AND U.S. BUSINESSES MANAGED BY NON-AMERICANS. WHILE THE GENERAL FEELING IS THAT VERY LITTLE HAS CHANGED EXCEPT PERHAPS HEIGHTENED PRESS ATTENTION, THERE WERE SOME SERIOUS MOMENTS AND THERE REMAIN SOME POCKETS OF CONCERN.

2. WITHOUT ANALYZING INCIDENTS IN DETAIL, FIRE BOMBING OF THE HONEYWELL WAREHOUSE IN MILAN AND NON-FATAL TERRORIST SHOOTING OF AN ITALIAN OFFICER OF THE AMERICAN CHEMICAL BANK IN MILAN CAUSED SERIOUS CONCERN FOR THE MISSION IN ITALY. AN INCIDENT IN GENOA REGARDING GENERAL ELECTRIC ALSO CAUSED SERIOUS CONCERN BUT HAS NOW BEEN ALL BUT DISMISSED AS HAVING BEEN A HOAX. ATTACKS OF VARIOUS KINDS ON ITALIAN ENTITIES CONTINUE ON A PERIODIC BASIS, SUCH AS RECENT BOMBINGS OF HIGH TENSION POWER TOWERS AND FIAT'S SOUTHERN CASSINO PLANT.

3. THE ATMOSPHERICS OF TERRORISM RECEIVE MUCH ATTENTION IN THE MEDIA--POSSIBLY TOO MUCH ATTENTION. FOR EXAMPLE, MOST MAJOR NEWSPAPERS HAVE CARRIED A FULL PAGE ADVERTISEMENT FOR BULLET PROOF GLASS PLACED BY THE FRENCH-OWNED SAINT GOBAIN COMPANY. THE SECURITY OFFICE IN THE EMBASSY AND CONSULATE OFFICERS HAVE GIVEN SECURITY BRIEFINGS, ON REQUEST ONLY, TO BOTH RESIDENT AND VISITING OFFICIALS OF OVER A DOZEN AMERICAN FIRMS. STATESIDE SECURITY OR PERSONNEL OFFICERS SOMETIME AGO APPARENTLY COMMENCED BRIEFING OUTGOING EXECUTIVES WHO LIMITED OFFICIAL USE

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NOW ROUTINELY TAKE THE THREE OR FOUR SIMPLE BUT KEY MEASURES SUCH AS VARYING ROUTE AND TIME OF DEPARTURE, ETC.

4. AS MENTIONED BY MORE THAN ONE CONTRIBUTOR TO THIS MESSAGE, THE MOST DIRECT IMPACT OF TERRORISM APPEARS TO BE ON THE HOME OFFICE MANAGEMENT IN AMERICA. THERE, THE BASICALLY-DOMESTIC ORIENTED OFFICERS READ AND HEAR MAINLY BAD REPORTS ABOUT ITALY. ITALY-BASED OFFICERS THEREFORE SPEND TIME ASSURING THEIR SUPERIORS ABOUT THE SITUATION. ADDITIONALLY, THE INQUIRIES ABOUT INVESTMENT IN ITALY HAVE DROPPED SLIGHTLY FROM THEIR PREVIOUS LOW LEVEL, AND THE INQUIRIES FROM ITALIANS REGARDING INVESTMENT IN THE U.S. HAVE NOTICEABLY INCREASED. FOR EXAMPLE, WHILE AN INVEST IN FLORIDA SEMINAR ONE AND A HALF YEARS AGO DREW VIRTUALLY NO INTEREST, A STATE OF LOUISIANA INVESTMENT MISSION IN MAY HAD DOZENS OF WORTHWHILE PROSPECTIVE QUERIES FROM THE LENGTH AND BREADTH OF ITALY, BOTH IN MAJOR CENTERS AS WELL AS SMALL CITIES SUCH AS AREZZO AND BRESCIA.

5. EMBASSY COMMENT. WHILE THE BUSINESS CLIMATE HAS DETERIORATED SLIGHTLY DUE TO THE RECENT TERRORISM, BUSINESS AND ECONOMIC PROBLEMS ARE STILL THE IMPORTANT VARIABLE IN THE EQUATION. THOUGH NOT THE SUBJECT OF THIS

MESSAGE, DOUBLE-DIGIT INFLATION, LABOR RIGIDITY, LACK OF
PROFITABILITY, AND ADMINISTRATIVE LOGJAMS CONTINUE TO BE
OF MORE CONCERN TO THE AMERICAN RESIDENT BUSINESS COMMUNITY
THAN TERRORISM.GARDNER

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESSMEN, TERRORISTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition History: n/a
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TAGS: BEXP, SOCI, PINS, IT
To: STATE
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